

Materials for Agenda Item 6

CITY OF SUN VALLEY, IDAHO
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
Year Ended September 30, 2014

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	15
Statement of Activities	16
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	17
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	22
Notes to the Financial Statements	23
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:	
General Fund.....	37
Debt Service Fund.....	38
Fixed Asset Fund.....	39
Land Acquisition Fund	40
Capital Improvement Fund.....	41
Workforce Housing Fund	42
Street and Path Fund.....	43
GOVERNMENTAL REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45



Harris & Co. PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Helping our clients make sense of a changing and complex world

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Sun Valley, Idaho
Sun Valley, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Sun Valley, Idaho as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Sun Valley, Idaho as of September 30, 2014 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

2289 S. Bonito Way, Ste 100
Meridian, Idaho 83642

208 333-8965
208 333-8966 FAX

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 37 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The management's discussion and analysis and budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2015, on our consideration of City of Sun Valley, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Harris & Co. PLLC

Meridian, Idaho
March 5, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

The City of Sun Valley's (the City) discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD &A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter and the City's financial statements.

Using the Financial Section of This Report

The City's financial statements present two kinds of statements, each with a different snapshot of the City's finances. The focus of the financial statement is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to be corporate-like in that governmental activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the City. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities that are supported by the City's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services.

The Governmental Activities reflect the City's basic services; the general government. Property and Local Option Taxes finance the majority of these activities. The City does not operate any business-type operations.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City of Sun Valley are Governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all funds. The governmental funds include the General Fund, Debt Service Fund, Capital Projects Fund, Special Revenue Fund.

The City of Sun Valley approves a one-year budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the FY 14 budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including the major governmental fund budgetary schedules.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The City's total net position were \$9,930,175 on September 30, 2014. This amount represents a decrease of \$130,089 which factors in capital assets and long-term liabilities.

The City's unrestricted net assets for governmental activities, the part of the net position that can be used to finance day-to-day operations, were \$3,634,851.

Table 1 reflects the Statement of Net Position.

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

Table 1
Statements of Net Position
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current assets	\$ 6,932,849	\$ 3,536,324
Capital assets	<u>7,147,085</u>	<u>6,989,013</u>
Total assets	<u>\$ 14,079,934</u>	<u>\$ 10,525,337</u>
Current Liabilities	\$ 708,039	\$ 465,073
Noncurrent Liabilities	<u>769,914</u>	<u>0</u>
Total liabilities	1,477,953	465,073
Deferred Inflows	2,671,806	0
Net Position		
Invested in capital assets, net of related debt	6,295,324	6,989,013
Unrestricted	<u>3,634,851</u>	<u>3,071,251</u>
Total liabilities, deferred inflows and net position	<u>\$ 14,079,934</u>	<u>\$ 10,525,337</u>

Normal Impacts

There are three basic (normal) transactions that will affect the comparability of the City's Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net assets.

Spending of Non-borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and investments in capital assets, net of debt.

Table 2 focuses on the changes in net position of the governmental activities.

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

Table 2
Changes in Net Position
For the Fiscal Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues		
Program Revenues		
Charges for services	\$ 565,956	\$ 379,866
Capital grants and contributions		50,000
General Revenue		
Property taxes levied for general purposes	2,742,605	2,739,450
Property taxes levied for debt service	0	2,285
Franchise fees	132,103	97,857
Local option tax	1,599,215	1,248,536
State shared revenue	659,427	689,555
Investment earnings	3,305	4,725
Miscellaneous	<u>45,305</u>	<u>42,542</u>
Total Revenues	5,747,916	5,254,816
Expenses		
General government	1,338,821	1,128,639
Community development	478,050	393,628
Police	1,101,199	1,244,954
Fire	875,566	658,404
Culture and recreation	227,583	323,004
Transportation	250,000	250,000
Streets	991,401	902,284
Contingency	12,309	44,672
Interest and fees on long-term debt	33,415	0
Unallocated depreciation expense	<u>569,661</u>	<u>568,142</u>
Total Expenses	5,878,005	5,513,727
Change in Net Position	<u>\$ (130,089)</u>	<u>\$ (258,911)</u>

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014

Governmental Activities in FY 14

Governmental activities in FY 14 decreased the City's net position by \$130,089. Key elements of this change in net position are as follows:

Revenues

FY14 revenues were \$493,100 more than FY13 revenues. The difference is primarily due to an increase in charges for services and the addition of the 1% air service local option tax collected. Also contributing to the difference is an increase in franchise fees of \$34,246.

Expenditures

FY14 expenditures were \$364,278 more than FY13 expenditures. The majority of the decrease is attributed to general government and fire. The majority of the increase is attributed to general government, community development and fire. General government increased by \$81,360 primarily due to addition of the 1% air service local option tax. Community development increased \$165,782. There was also a \$95,434 increase in expenditures in fire primarily due to the replacement of worn out equipment.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Sun Valley uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds in FY 14

The purpose of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balance is currently reported in two basic categories— restricted and unrestricted. Restricted fund balance represents resources that are not in a spendable form (such as prepaid expenses or long-term loans receivable) or that are legally segregated for a purpose more specific than the overall purpose of the fund (such as resources legally set aside for highway project in a broad capital projects fund). Unrestricted fund balance includes committed, assigned and unassigned funds. It is the remainder and can be used for any purpose of the fund. Designated Funds represent some or all of the unrestricted fund balance to communicate the purposes for which it is intended to be used.

CITY OF SUN VALLEY, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

At September 30, 2014, the City's governmental funds reported combined ending fund balances of \$3,681,597 an increase of \$568,380 in comparison to the prior year. Of this amount, \$3,641,597 (99%) is unrestricted fund balance. Unrestricted fund balance is available for spending at the government's discretion. Of the unrestricted fund balance, \$1,917,572 is available for subsequent year's expenditures. The remaining unrestricted fund balance of \$1,924,318 has been designated by the City Council in compliance with the City's "Fiscal Policy Reserve". The policy states that no less than the equivalent of 16 weeks (\$1,602,932) and no more than the equivalent of 32 (\$3,205,865) weeks of regular General Fund operating expenditures, based on its annual General Fund budget are set aside to mitigate current and future risks and to ensure stable tax rates. The remainder of the fund balance is committed. Committed fund balance is not available for spending because it is committed for workforce housing in the amount of \$40,000.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, the fund balance of the General Fund was \$3,097,807 which is all unrestricted fund balance. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. The fund balance represents 70% of the total General Fund expenditures.

The fund balance of the City's General Fund increased by \$764,492 during FY14. The revenues increased by 11% primarily due to an increase primarily due to an increase in charges for services and the addition of the 1% air service local option tax collected. Expenditures decreased by 2% primarily due to addition of the 1% air service local option tax and the replacement of worn out equipment in the fire department.

The Debt Service Fund is used for the purpose of the payment of long-term debt and interest. The fund balance is \$12,938, in the current fiscal year. The entire fund balance is restricted for debt service because certain minimum amounts must be accumulated and may be used only for the payment of principal, interest and debt service fees.

The Fixed Asset Fund accounts for all revenues and expenditures to finance assets that are tangible, have a useful life exceeding two years and significant value. Transfers into the fund to offset the purchase of new equipment for the fire department. This left the fund balance at \$0.

The Land Acquisition Fund accounts for all revenues and expenditures to finance the acquisition of land by the City. The Land Acquisition Fund balance did not change during FY 2014 because there was not any land acquisition activity. The ending fund balance of \$371,763 is assigned for future land acquisitions.

The Capital Improvement Fund accounts for all revenues and expenditures to improve capital assets. The Capital Improvement Fund balance decreased by \$50,562. The fund balance at the end of the fiscal year is \$0. The decrease in fund balance is due to expenditures for the transportation plan.

The Workforce Housing Fund accounts for the affordable housing units. The Workforce Housing fund balance decreased by \$34,851. The ending fund balance of \$199,089 is committed for future needs of the housing units.

The Street and Path Fund accounts for major improvements and repairs to the City's streets. The Street and Path fund balance decreased by \$110,699. This left the fund balance at \$0.

CITY OF SUN VALLEY, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

General Fund Budgetary Highlights in FY 14

Actual to budget comparisons are found following the Notes to the Financial Statements. Below is contributing information regarding the general fund budget ending budget when compared to actual expenditures.

The City Council approved revisions to the FY 14 General Fund budget. The difference between the original budget and the final amended budget was relatively minor (\$452,220 increase in overall revenue appropriations). The primary increases were for increased local option tax and an increase in contract labor for the community development department.

**Table 3
Budget to Actual Comparison – General Fund
September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Original Budget	\$ 4,757,310	\$ 4,585,540
Final Budget	5,209,530	4,711,400
Actual Expenditures	<u>4,440,090</u>	<u>4,534,620</u>
Variance	<u>\$ 769,440</u>	<u>\$ 176,780</u>

Capital Assets

At fiscal year end, the City's investment in capital assets, net of accumulated depreciation, totals \$7,147,085. Capital asset investments include land, building and improvements, equipment, and infrastructure. The net increase in the City's capital asset investment for the current fiscal year is \$158,072 and is shown in greater detail in the financial statements.

CITY OF SUN VALLEY, IDAHO
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014

Table 4
Capital Assets for the year ended
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Land	\$ 191,149	\$ 191,149
Building and improvements	3,030,084	3,030,084
Infrastructure	16,454,746	16,454,746
Equipment and vehicles	4,628,102	3,360,836
Accumulated depreciation	<u>(17,156,996)</u>	<u>(15,595,938)</u>
Variance	<u>\$ 7,147,085</u>	<u>\$ 7,440,877</u>

Fire department equipment in the amount of \$975,693 was added in FY 2014.. There were no other significant additions to capital assets.

Long-term debt

According to state statutes, all cities have a legal limitation on their general obligation debt equal to two percent of their market valuation. Using this formula, the City of Sun Valley has a legal debt margin of \$43,684,928 (2% times \$2,184,246,377).

At the end of the current fiscal year, the City had \$851,761 in outstanding long term debt.

Economic Factors

The City's composition is primarily residential with a major destination resort. The property tax revenue derived from the current housing stock is stable. The commercial component includes lodging, retail and restaurant sales. Because the majority of revenue collected by the City is based on property taxes, short-term fluctuations in the economy do not severely impact the City's revenue flow.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Angela Walls, Treasurer/Finance Manager, City of Sun Valley, P.O. Box 416, Sun Valley, Idaho 83353.

BASIC FINANCIAL STATEMENTS

**CITY OF SUN VALLEY, IDAHO
STATEMENT OF NET POSITION**

September 30, 2014

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 3,942,971
Receivables	
Property tax	2,702,049
Local option taxes	91,888
Intergovernmental	175,341
Other receivables	<u>20,601</u>
Total Current Assets	6,932,850
NONCURRENT ASSETS	
Capital Assets	
Land and other assets not depreciated	191,149
Buildings, property and equipment, infrastructure, net of depreciation	<u>6,955,936</u>
Total Noncurrent Assets	<u>7,147,085</u>
Total Assets	<u>\$ 14,079,935</u>
LIABILITIES AND DEFERRED INFLOWS	
CURRENT LIABILITIES	
Accounts payable	\$ 502,372
Other accrued expenses	60,505
Current portion of capital lease payable	81,847
Compensated absences	<u>63,315</u>
Total Current Liabilities	708,039
NONCURRENT LIABILITIES	
Capital lease payable, net of current portion	<u>769,914</u>
Total Liabilities	<u>1,477,953</u>
DEFERRED INFLOWS	
	2,671,806
NET POSITION	
Net Investment in Capital Assets	6,295,324
Unrestricted	<u>3,634,852</u>
Total Net Position	<u>9,930,176</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 14,079,935</u>

See accompanying notes to basic financial statements.

**CITY OF SUN VALLEY, IDAHO
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Contributions</u>	
Governmental Activities					
General government	\$1,338,821	\$ 81,202	\$ 0	\$ 0	\$ (1,257,619)
Community development	478,050	7,339			(470,711)
Police	1,101,199				(1,101,199)
Fire	875,566				(875,566)
Culture and recreation	227,583	4,330			(223,253)
Transportation	250,000	52,300			(197,700)
Streets	991,400				(991,400)
Building safety		420,785			420,785
Contingency	12,309				(12,309)
*Unallocated depreciation expense	569,661				(569,661)
Interest on long-term debt	33,415				(33,415)
Total Governmental Activities	\$5,878,004	\$ 565,956	\$ 0	\$ 0	(5,312,048)
General Revenues					
Taxes					
Property taxes, levied for general purposes					2,742,605
Franchise fees					132,103
Local option tax					1,599,215
State shared revenue					659,427
Interest earnings					3,305
Miscellaneous					45,305
Total General Revenues					5,181,960
Change in Net Position					(130,088)
NET POSITION, Beginning of Year					10,060,264
NET POSITION, End of Year					\$ 9,930,176

*Unallocated depreciation that excludes depreciation which is included in the direct expenses of various programs.

See accompanying notes to basic financial statements.

CITY OF SUN VALLEY, IDAHO
BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2014

	General Fund	Debt Service Fund	Fixed Asset Fund	Land Acquisitoin Fund
ASSETS				
Cash and Investments	3,359,260	\$ 12,859	\$ 0	\$ 371,763
Receivables				
Property taxes	2,685,401	395		
Local option taxes receivable	91,888			
Intergovernmental	175,341			
Due from other funds	0			
Other receivables	20,601		0	
	\$ 6,332,491	\$ 13,254	\$ 0	\$ 371,763
Total Assets				
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 502,372	\$ 0	\$ 0	\$ 0
Accrued expense	60,505			
Due to general fund			0	
Advanced revenue	16,253	316		
	579,130	316	0	0
Total Liabilities				
DEFERRED INFLOWS	2,655,553	0	0	0
FUND BALANCES				
Nonspendable				
Restricted				
Committed				
Assigned		12,938	0	371,763
Unassigned	3,097,808			
	3,097,808	12,938	0	371,763
Total Fund Balances				
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,332,491	\$ 13,254	\$ 0	\$ 371,763

See accompanying notes to basic financial statements.

Harris & Co. PLLC

Capital Improvement Fund	Workforce Housing Fund	Street Improvement Fund	Total Governmental Funds
\$ 0	\$ 199,089	\$ 0	\$ 3,942,971
			2,685,796
			91,888
			175,341
			0
			20,601
<u>\$ 0</u>	<u>\$ 199,089</u>	<u>\$ 0</u>	<u>\$ 6,916,597</u>
\$ 0	\$ 0	\$ 0	\$ 502,372
0		0	60,505
			0
			16,569
0	0	0	579,446
0	0	0	2,655,553
			0
			0
	40,000		40,000
0	159,089	0	543,790
			3,097,808
0	199,089	0	3,681,598
<u>\$ 0</u>	<u>\$ 199,089</u>	<u>\$ 0</u>	<u>\$ 6,916,597</u>

**CITY OF SUN VALLEY, IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

September 30, 2014

Total fund balance - total governmental funds \$ 3,681,598

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:

Land	\$	191,149	
Buildings		3,030,084	
Infrastructure		16,454,746	
Equipment		4,628,102	
Accumulated depreciation		<u>(17,156,996)</u>	
Total capital assets, net of accumulated depreciation			7,147,085

Some of the City's taxes will be collected after year-end, but are not available soon enough to pay the current period's expenditures, and therefore are reported as deferred revenue in the funds. 16,569

Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:

Long-term capital lease payable		(851,761)	
Compensated absences payable		<u>(63,315)</u>	

Total net position of governmental activities \$ 9,930,176

See accompanying notes to basic financial statements.

CITY OF SUN VALLEY, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2014

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Fixed Asset Fund</u>	<u>Land Acquisitoin Fund</u>
REVENUES				
Property taxes	\$ 2,477,050	\$ 0	\$ 0	\$ 0
Local option tax	1,599,215			
Franchise fees	132,103			
Licenses, permits, and fees	428,902			
Intergovernmental	613,843			
Charges for services	48,128			
Fines and forfeitures	385			
Earnings on investments	3,305			
Earnings on leases	10,800			
Refunds and reimbursements	70,402			
Miscellaneous	45,305			
Total Revenue	<u>5,429,438</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
General government	1,647,197		45,738	
Community development	475,873			
Police	1,101,199			
Fire	711,258		112,426	
Streets	505,700			
Contingency	956			
Capital outlay			975,693	
Total Expenditures	<u>4,442,183</u>	<u>0</u>	<u>1,133,857</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	987,255	0	(1,133,857)	0
OTHER FINANCING SOURCES (USES)				
Transfers in			203,085	
Transfers out	(222,762)			
Issuance of debt			930,772	
Net Other Financing Sources (Uses)	<u>(222,762)</u>	<u>0</u>	<u>1,133,857</u>	<u>0</u>
Net Change in Fund Balance	764,493	0	0	0
FUND BALANCE, Beginning of Year	<u>2,333,315</u>	<u>12,938</u>	<u>0</u>	<u>371,763</u>
FUND BALANCE, End of Year	<u>\$ 3,097,808</u>	<u>\$ 12,938</u>	<u>\$ 0</u>	<u>\$ 371,763</u>

See accompanying notes to basic financial statements.

Harris & Co. PLLC

Capital Improvement Fund	Workforce Housing Fund	Street and Path Fund	Total Governmental Funds
\$ 0	\$ 0	\$ 265,555	\$ 2,742,605
			1,599,215
			132,103
			428,902
		45,584	659,427
	7,339		55,467
			385
			3,305
			10,800
			70,402
			45,305
<u>0</u>	<u>7,339</u>	<u>311,139</u>	<u>5,747,916</u>
69,163	42,190		1,804,288
			475,873
			1,101,199
			823,684
		422,914	928,614
			956
			975,693
<u>69,163</u>	<u>42,190</u>	<u>422,914</u>	<u>6,110,307</u>
(69,163)	(34,851)	(111,775)	(362,391)
18,601		1,076	222,762
			(222,762)
			930,772
<u>18,601</u>	<u>0</u>	<u>1,076</u>	<u>930,772</u>
(50,562)	(34,851)	(110,699)	568,381
<u>50,562</u>	<u>233,940</u>	<u>110,699</u>	<u>3,113,217</u>
<u>\$ 0</u>	<u>\$ 199,089</u>	<u>\$ 0</u>	<u>\$ 3,681,598</u>

CITY OF SUN VALLEY, IDAHO
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2014

Net change in fund balances - total governmental funds \$ 568,381

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	975,693	
Depreciation expense	(817,621)	
Excess of depreciation expense over capital outlay		158,072

Issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments:

Capital lease proceeds	(930,772)	
Principal payments	79,011	
Excess of lease proceeds over principal payments		(851,761)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of financial resource availability.

Decrease in deferred property tax revenue	(2,675)	
Increase in compensated absences payable	(2,105)	

		\$ (130,088)
Change in Net Position of Governmental Activities		

See accompanying notes to basic financial statements.

CITY OF SUN VALLEY, IDAHO
NOTES TO FINANCIAL STATEMENTS

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

General Statement

City of Sun Valley, Idaho (the City) was chartered in 1947 under the laws of the State of Idaho. The City operates under a mayor and council form of government and provides the following services: public safety (police and fire), community development, building safety, streets, planning and zoning, and general administrative services to its citizens. The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

The accompanying financial statements present the activities of the City of Sun Valley, Idaho (the City). For financial reporting purposes, in conformity with GASB Statements 15, 42 and 65, the financial statements for the City include all organizations for which the City is financially accountable for.

Basis of Presentation

Government-wide financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the governmental entity. For most part, the effect of interfund activity has been removed from these statements. *Governmental activities* (government funds) which normally are supported by taxes and intergovernmental revenues are reported separately from *business-type activities* (proprietary funds) which rely to a significant extent on fees and charges for support. The City has no business-type activities and, therefore, this column has been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific program. *Program revenues* include (1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements: The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Fixed Asset Fund* accounts for all revenues and expenditures to finance assets that are tangible, have a useful life exceeding two years and have a cost of more than \$5,000.

The *Land Acquisition Fund* is used to account for financial resources for the acquisition of land by the City.

The *Capital Improvement Fund* accounts for the construction or acquisition of capital improvements or facilities.

The *Debt Service Fund* is used for the accumulation of resources for, and the payment of, general long-term debt principle, interest and related costs.

The *Workforce Housing Fund* is used to provide affordable housing for low to moderate income households whose income is derived from employment within Sun Valley or, when found appropriate by the City, employed within Blaine County in the area commonly known as the North Valley, including the City of Ketchum and the area commonly known as River Run.

The *Street Improvement Fund* is used to account for the repairs, maintenance, and projects related to roads and streets within the City.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual* basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and are accounted for using the *modified accrual* basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus/Basis of Accounting (Continued)

the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Control

Annual budgets are adopted on a basis consistent with state code and generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. Annual operating budgets are adopted for proprietary funds.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August, the Mayor submits to the City Council a proposed operating budget outlined for the fiscal year commencing the following October 1. The tentative budget is balanced and includes expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall, to obtain taxpayer comments.
3. Prior to September 1, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year.
5. Revisions that alter the total expenditures of any fund must be approved by the City Council. However, state law does allow fund expenditures to exceed fund appropriations.
6. Annual appropriated budgets are adopted for all the funds of the City. The budget is prepared in accordance with the basis of accounting utilized by that fund. Budgeted amounts shown are as originally adopted and as amended by the City Council. Budgeted amendments are passed on an as-needed basis. All annual appropriations lapse at fiscal year-end. A balanced budget is required.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statute authorizes the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer’s Investment Pool. Investments for the government are reported at fair value.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of resources are reported as fund balance transfers. All other interfund transfers are reported as operating transfers. These transfers offset each other and are not a part of the government-wide financial statements unless between business-type (enterprise) funds and governmental funds.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets construction.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continue)

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-25
Building improvements	20-25
Infrastructure	20-50
Equipment and vehicles	7-15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Employees of the City are entitled to paid vacation and paid sick leave depending on job classification, length of service and other factors. All vacation and personal days off are accrued when incurred in the government-wide financial statements. Governmental funds do not report a liability for these amounts unless payment will be made early in the following year.

Interfund Transactions

During the course of normal operations, the City has some transactions between funds, including expenditures and transfers of resources to provide services, construct assets, among other activity. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Net Position Classifications

Government-Wide Statements: Net assets are displayed in three components as follows:

Net investment in capital assets – Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Classifications (Continued)

Restricted net assets – Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted”

Fund statements: Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

Property Tax Calendar

The City's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the City. The lien date is effective January 1 of the year the property tax is levied. A revaluation of all property is required to be completed no less than every five years.

Under Idaho Code Section 50-235, the City cannot levy taxes over nine-tenths percent (90%) of the total City adjusted market value for real property located within the City. Taxes are due in two installments on December 20 and June 20 following the levy date. Property taxes levied are recorded as receivables if uncollected and a deferred revenue amount is recorded, in the fund financial statements, to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future periods and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2014, deferred inflows represented property taxes receivable unavailable for current use.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE B - CASH AND INVESTMENTS

At September 30, 2014, the City's cash and investments consisted of the following:

<u>Amount</u>	<u>Bank Balance</u>	<u>Carrying</u>
Cash		
Bank Deposits	\$ 401,919	\$ 343,723
Cash on Hand	<u> </u>	<u>1,084</u>
Total Cash	<u>\$ 401,919</u>	0
Investments, at Fair Value		
State Treasurer's Local Government Pool, no rating		<u>3,598,163</u>
Total Cash and Investments		<u>\$ 3,942,970</u>

Reconciliation of the City's deposit and investment balances as of September 30, 2014:

	<u>City's Deposits and Investments</u>	<u>Average Total Maturities</u>
Cash in bank – Deposits	\$ 343,723	NA
State Treasurer's Local Government Pool	3,598,163	<12 Mo
Cash on Hand	<u>1,084</u>	<u>NA</u>
Total	<u>\$ 3,942,970</u>	

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2014, \$151,919 of the City's bank balance was uninsured and uncollateralized.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligation. It is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE B - CASH AND INVESTMENTS (Continued)

All of the City’s investments are in the State LGIP. The S1+ volatility rating assigned to the LGIP indicates the Fund possesses extremely low sensitivity to changing market conditions, and a level of risk that is less than or equal to that of a portfolio comprised of the highest-quality fixed income instruments with an average maturity of one year or less.

Interest Rate Risk

Interest rate risk is the risk of loss in fair value should market interest rates change in the future. Investments with long-term, fixed interest rates are the most volatile. The investments within the Idaho State Treasurer’s Local Government Investment Pool and the Federal Home Loan Note have an average maturity of one year or less and the government money market fund has an average maturity of less than 30 days, thereby minimizing interest rate risk.

NOTE C - INVESTMENT IN MOUNTAIN RIDES TRANSPORTATION AUTHORITY

The Mountain Rides Transportation Authority is an Authority Board authorized pursuant to Idaho Code, Section 76-2328 to procure, establish, operate, maintain and plan for a multimodal public transportation system in and between the corporate limits of Sun Valley, Ketchum, Hailey, Bellevue and Carey and within Blaine County. The Authority receives its funding through federal and state grants, fares, and contributions from the cities in Blaine County as well as from Blaine County. The City’s share of operating costs for the year ended September 30, 2014 was \$250,000.00 The Authority is governed by an independent Board comprised of representatives appointed by the Mayors of each city, except for the City of Carey, and the Board of the County Commissioners, and one “Member-At-Large” appointed by the Board of the Authority.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 is as follows:

Governmental Activities

	<u>Balance</u> <u>10/01/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/14</u>
Capital assets, not being depreciated:				
Land	\$ 191,149	\$ 0	\$ 0	\$ 191,149
Capital assets, being depreciated:				
Buildings and Improvements	3,030,084			3,030,084
Equipment and Vehicles	3,652,409	975,693		4,628,102
Infrastructure	<u>16,454,746</u>	<u> </u>	<u> </u>	<u>16,454,746</u>
Total capital assets, being depreciated	23,328,388	975,693	0	24,304,081
Less accumulated depreciation for:				
Buildings and Improvements	1,550,660	76,754		1,627,414
Equipment and Vehicles	2,461,627	238,265		2,699,892
Infrastructure	<u>12,327,088</u>	<u>502,602</u>	<u> </u>	<u>12,829,690</u>
Total accumulated depreciation	<u>16,339,375</u>	<u>817,621</u>	<u>0</u>	<u>17,156,996</u>
Governmental activities capital assets, net	<u>\$ 6,989,013</u>	<u>\$ 158,072</u>	<u>\$ 0</u>	<u>\$ 7,147,085</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General Government	\$ 7,336
Public Protection	164,308
Workforce Housing	11,353
Community development and building	2,177
Street	62,786
Unallocated	<u>569,661</u>
Total Depreciation Expense	<u>\$ 817,621</u>

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE E - GOVERNMENT FUND BALANCES

As of September 30, 2014, fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact. Such amounts are inventory, prepaid accounts, and assets held for sale. There were no nonspendable amounts at September 30, 2014.

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. There were no restricted amounts at September 30, 2014.

Committed — amounts that can be used only for specific purposes determined by a formal action of the City Council. The Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Council. As of September 30, 2014, there was \$40,000 in committed funds in the workforce development fund.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only City Council, Finance Director or the Council’s finance committee may assign amounts for specific purposes. The City believes all fund balances in the remaining funds outside the general fund are assigned for that particular fund’s purpose. The total amount of \$543,790 has been shown as assigned.

Unassigned — all other spendable amounts. As of September 30, 2014, the fund balance in the general fund is considered unassigned.

NOTE F - INTERFUND TRANSFERS

The composition of interfund transfer as of September 30, 2014 is as follows:

From the General Fund to:	
The Fixed Asset Fund to cover costs	\$ 203,085
The Capital Improvement Fund to cover costs	18,601
The Street and Path to cover costs	<u>1,076</u>
Total amount transferred from the General Fund	<u>\$ 222,762</u>

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE G - COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay for it. Compensated absences activity for the year ended September 30, 2014 is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Due Within One Year</u>
Compensated absences	\$ 61,210	\$ 104,612	\$ 102,507	\$ 63,315	\$ 63,315

NOTE H - LEASES

Operating Leases. The City leases office equipment under non-cancelable operating leases which will expire in December, 2018. Lease expense for this equipment was \$2,305 for the year ended September 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2015	\$ 1,608
2016	1,260
2017	1,260
2018	315
	<u>\$ 4,443</u>

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE H - LEASES (Continued)

Capital Lease: The City has entered into lease agreement as lessee for financing the acquisition of equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The amount of assets acquired through an active capital lease is as follows:

During fiscal year 2014, the City entered into a capital leases with Oshkosh Capital at an annual interest rate of 3.59%. Future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 112,426
2016	112,426
2017	112,426
2018	112,426
2019	112,426
2020 - 2023	<u>449,700</u>
Total minimum lease payments	1,011,830
Less: Amount representing interest	<u>(160,669)</u>
Present value of minimum lease payments	<u>\$ 851,161</u>
Amount due within one year	\$ 81,247
Amount due in more than one year	<u>769,914</u>
	<u>\$ 851,161</u>

NOTE I - PENSION PLAN

Public Employee Retirement System of Idaho – The Public Employee System of Idaho (PERSI), a cost-sharing, multiple-employer public retirement system, was created by the Idaho State Legislature. It is defined benefit plan requiring that both member and the employer contribute. The plan provides benefits based on members’ years of service, age and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

CITY OF SUN VALLEY, IDAHO

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2014

NOTE I - PENSION PLAN (Continued)

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary of the highest consecutive 42 months. The contribution requirement of the City and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended September 30, 2014, the required contribution rate as a percentage of covered payroll for members was 6.79% for general members and 8.36% for police/firefighters. The employer rate as a percentage of covered payroll was 11.32% for general members and 11.66% for police/firefighter members.

The City contributions required and paid were \$189,068, \$187,307 and \$184,734, for the three years ended September 30, 2014, 2013 and 2012, respectively.

NOTE J - RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUN VALLEY, IDAHO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended September 30, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,409,998	\$ 2,399,998	\$ 2,477,050	\$ 77,052
Local option tax	1,185,000	1,640,100	1,599,215	(40,885)
Franchise fees	124,380	124,380	132,103	7,723
Licenses, permits, and fees	154,300	199,300	428,902	229,602
Intergovernmental	684,952	681,452	613,843	(67,609)
Charges for services	23,000	58,000	48,128	(9,872)
Fines and forfeitures	6,500	6,500	385	(6,115)
Earnings on investments	3,000	3,000	3,305	305
Earnings on leases	21,600	10,800	10,800	0
Refunds and reimbursements	32,500	61,000	70,402	9,402
Miscellaneous	20,000	25,000	45,305	20,305
	<u>4,665,230</u>	<u>5,209,530</u>	<u>5,429,438</u>	<u>219,908</u>
Total Revenue				
EXPENDITURES				
General government	1,542,323	1,876,141	1,647,197	228,944
Community development	398,630	433,326	475,873	(42,547)
Police	1,160,569	1,119,069	1,101,199	17,870
Fire	734,290	763,621	711,258	52,363
Streets	589,560	548,794	505,700	43,094
Contingency	331,938	468,579	956	467,623
	<u>4,757,310</u>	<u>5,209,530</u>	<u>4,442,183</u>	<u>767,347</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(92,080)</u>	<u>0</u>	<u>987,255</u>	<u>987,255</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>0</u>	<u>0</u>	<u>(222,762)</u>	<u>(222,762)</u>
Net Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(222,762)</u>	<u>(222,762)</u>
Net Change in Fund Balance	<u>\$ (92,080)</u>	<u>\$ 0</u>	<u>764,493</u>	<u>\$ 764,493</u>
FUND BALANCE, Beginning of Year			<u>2,333,315</u>	
FUND BALANCE, End of Year			<u>\$ 3,097,808</u>	

CITY OF SUN VALLEY, IDAHO
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended September 30, 2014

	<u>Original</u>	<u>Budget</u> Final	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ 0</u>
FUND BALANCE, Beginning of Year			<u>12,938</u>	
FUND BALANCE, End of Year			<u>\$ 12,938</u>	

CITY OF SUN VALLEY, IDAHO
FIXED ASSET FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended September 30, 2014

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Repairs and maintenance	0	0	717	(717)
Miscellaneous	0	0	45,021	(45,021)
Debt service	272,688	191,116	112,426	78,690
Capital outlay	<u>272,688</u>	<u>191,116</u>	<u>975,693</u>	<u>(784,577)</u>
 Total Expenditures	 <u>545,376</u>	 <u>382,232</u>	 <u>1,133,857</u>	 <u>(751,625)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (545,376)	 (382,232)	 (1,133,857)	 (751,625)
OTHER FINANCING SOURCES				
Issuance of debt	0	0	930,772	930,772
Transfers in (out)	<u>294,888</u>	<u>213,316</u>	<u>203,085</u>	<u>(10,231)</u>
 Total other financing sources	 <u>294,888</u>	 <u>213,316</u>	 <u>1,133,857</u>	 <u>920,541</u>
 Net Change in Fund Balance	 <u>\$ (250,488)</u>	 <u>\$ (168,916)</u>		 <u>\$ 168,916</u>
FUND BALANCE, Beginning of Year			<u>0</u>	
FUND BALANCE, End of Year			<u>\$ 0</u>	

**CITY OF SUN VALLEY, IDAHO
LAND ACQUISITION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

BUDGET AND ACTUAL

For the Year Ended September 30, 2014

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
FUND BALANCE, Beginning of Year			<u>371,763</u>	
FUND BALANCE, End of Year			<u>\$ 371,763</u>	

**CITY OF SUN VALLEY, IDAHO
CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Year Ended September 30, 2014

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Repairs and maintenance	<u>75,000</u>	<u>75,000</u>	<u>69,163</u>	<u>5,837</u>
Excess (Deficiency) of Revenues Over Expenditures	(75,000)	(75,000)	(69,163)	5,837
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>18,601</u>	<u>(56,399)</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	(50,562)	<u>\$ (50,562)</u>
FUND BALANCE, Beginning of Year			<u>50,562</u>	
FUND BALANCE, End of Year			<u>\$ 0</u>	

**CITY OF SUN VALLEY, IDAHO
WORKFORCE HOUSING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Year Ended September 30, 2014

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 15,600	\$ 7,000	\$ 7,339	\$ 339
EXPENDITURES				
Miscellaneous	<u>42,800</u>	<u>34,200</u>	<u>42,190</u>	<u>(7,990)</u>
Excess (Deficiency) of Revenues Over Expenditures	(27,200)	(27,200)	(34,851)	(7,651)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>27,200</u>	<u>32,159</u>	<u>0</u>	<u>32,159</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 4,959</u>	(34,851)	<u>\$ (39,810)</u>
FUND BALANCE, Beginning of Year			<u>233,940</u>	
FUND BALANCE, End of Year			<u>\$ 199,089</u>	

**CITY OF SUN VALLEY, IDAHO
STREET AND PATH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Year Ended September 30, 2014

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 265,555	\$ 265,555	\$ 265,555	\$ 0
Intergovernmental	<u>45,842</u>	<u>45,842</u>	<u>45,584</u>	<u>(258)</u>
Total Revenue	<u>311,397</u>	<u>311,397</u>	<u>311,139</u>	<u>(258)</u>
EXPENDITURES				
Road and path maintenance program	<u>170,000</u>	<u>439,820</u>	<u>422,914</u>	<u>16,906</u>
Excess (Deficiency) of Revenues Over Expenditures	141,397	(128,423)	(111,775)	16,648
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>0</u>	<u>128,423</u>	<u>1,076</u>	<u>127,347</u>
Net Change in Fund Balance	<u>\$ 141,397</u>	<u>\$ 0</u>	(110,699)	<u>\$ (110,699)</u>
FUND BALANCE, Beginning of Year			<u>110,699</u>	
FUND BALANCE, End of Year			<u>\$ 0</u>	

GOVERNMENTAL REPORTS



Harris & Co. PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Helping our clients make sense of a changing and complex world

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council
City of Sun Valley, Idaho
Sun Valley, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Sun Valley, Idaho, as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise City of Sun Valley, Idaho's basic financial statements, and have issued our report thereon dated March 5, 2014..

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered City of Sun Valley, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Sun Valley, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Sun Valley, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

2289 S. Bonito Way, Ste 100
Meridian, Idaho 83642

208 333-8965
208 333-8966 FAX

Harris & Co. PLLC

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harris & Co. PLLC

Meridian, Idaho
March 5, 2015

Materials for Agenda Item 10

**CITY OF SUN VALLEY
RESOLUTION 2015-08**

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN THE
NORTH WOOD RIVER VALLEY FIRE SERVICE AUTOMATIC AID AGREEMENT

WHEREAS, the parties provide fire protection, rescue services, hazardous materials control and other emergency support; and

WHEREAS, each of the parties own and maintain equipment and employ personnel who are trained to provide various levels of service in the control of fire, fire prevention, technical rescue, hazardous materials response, and/or other emergency support; and

WHEREAS, in the event of a major fire, disaster or other emergency, each of the parties may need the assistance of another party or parties to provide supplemental fire suppression, technical rescue, hazardous materials response and/or other emergency support; and

WHEREAS, each of the parties may have the necessary equipment and personnel to enable it to provide such services to another party to this agreement in the event of such an emergency; and

WHEREAS, the geographical boundaries of each party are located in such a manner as to enable each party to render automatic assistance to each other;

WHEREAS, the City of Sun Valley and the City of Ketchum have agreed to the terms and conditions of the Automatic Aid Agreement, a copy of which is attached hereto in “Exhibit 1”; and

WHEREAS, an agreement of this nature is authorized under Idaho Code Sections 50-301, 31-1430A and 67-2327 through 67-2332; and

NOW, THEREFORE, BE IT RESOLVED THAT the City of Sun Valley approves the Fire Service Aid Agreement with the City of Ketchum and that the Mayor is authorized to execute the attached agreement.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS ___ DAY OF March, 2015.

Dewayne Briscoe, Mayor

Alissa Weber, City Clerk

EXHIBIT 1

North Wood River Valley

Fire Service Automatic Aid Agreement

THIS AGREEMENT is made and entered into this 2 day of FEB., 2015, by and between the City of Sun Valley, a municipal corporation of the State of Idaho, and the City of Ketchum, a municipal corporation of the state of Idaho, located in Blaine County, Idaho (collectively “the parties”).

WITNESSETH:

WHEREAS, the parties provide fire protection, rescue services, hazardous materials control and other emergency support;

WHEREAS, an agreement of this nature is authorized under Idaho Code Sections 50-301, 31-1430A and 67-2327 through 67-2332;

WHEREAS, each of the parties own and maintain equipment and employ personnel who are trained to provide various levels of service in the control of fire, fire prevention, technical rescue, hazardous materials response, and/or other emergency support;

WHEREAS, in the event of a major fire, disaster or other emergency, each of the parties may need the assistance of another party or parties to provide supplemental fire suppression, technical rescue, hazardous materials response and/or other emergency support;

WHEREAS, each of the parties may have the necessary equipment and personnel to enable it to provide such services to another party to this agreement in the event of such an emergency; and

WHEREAS, the geographical boundaries of each party are located in such a manner as to enable each party to render automatic assistance to each other.

NOW, THEREFORE, subject to the terms of this agreement to carry out the purpose and functions described above and in consideration of the benefits to be received and the mutual covenants exchanged herein by the parties, it is hereby agreed as follows.

I

ASSISTANCE AGREEMENT

The assistance to be provided for personnel or equipment from any party to any other party to this agreement, subject to the parameters outlined below, shall be considered to be immediate and automatic pursuant to the response criteria outlined in Section VIII of this agreement.

II

RESPONSE PROCEDURE

When notified of an Automatic Aid situation, as described in Section VIII of this agreement, the commanding officer of the assisting agency receiving the notification shall immediately take the following actions:

- a. Determine if the assisting agency has the appropriate type of equipment and personnel available to respond to the notification.
- b. Determine what available equipment and what available personnel should be dispatched in accordance with the plan and procedures established by the parties
- c. In the event the needed equipment and/or personnel are available, shall dispatch such equipment and/or personnel to the scene of the emergency with proper operating instructions.
- d. In the event the needed equipment and/or personnel are not available, immediately advise the requesting party of such fact.

III

COMMAND RESPONSIBILITY AT THE EMERGENCY SCENE

The highest ranking representative of the jurisdiction in which the incident occurs (the "requesting agency") shall designate an incident commander at the scene to which the response is made. If there is no representative immediately available, the initial responding agency shall assume command of the emergency until command responsibilities have been transferred to an authorized representative of the requesting agency. Transfer of command is recommended to be conducted through face to face conversation to assist in conveying necessary information. However, and notwithstanding the preceding sentences, the equipment and personnel provided to the requesting agency under the auspices of automatic aid shall remain under the immediate supervision of the responding agencies officer on scene, whose judgment shall prevail in the event of disagreement with the incident commander as to only those tasks assigned to that particular agency. Such disagreements will be resolved by the Incident Commander by either reassigning a mutually acceptable task, or releasing the agency from the emergency scene. If the incident commander requests a senior officer of the responding party to assume command, the incident commander shall not, by relinquishing command, be relieved of the responsibility of the operation.

IV

LIABILITY

Each party agrees to assume responsibility for liabilities arising out of actions of its own personnel and to hold the other parties harmless therefore; provided, however, that the requesting agency shall assume liability for, and hold all other parties harmless from, all liabilities that arise out of, or are directly attributable to, command decisions made by the requesting agency.

V

RETURN OF EQUIPMENT

Upon completion of work, the participating parties shall locate and return any items of equipment to the party owning the equipment. All equipment and personnel used under the terms of this agreement shall be returned to the responding party upon termination of the aid, or on demand made by the responding party for return of equipment or personnel.

VI

COMPENSATION

Each party agrees that it will not seek compensation for services provided under this agreement from any party to this agreement. Each party shall at times be responsible to its own employees for the payment of wages and other compensation and for carrying workers compensation upon the employees, and each shall be responsible for its own equipment and shall bear the risk of loss thereof.

Nothing in this agreement shall prevent any or all of the parties from recovering the actual costs of emergency services provided by the parties to a private citizen, business or other entity, where such citizen, business or other entity is deemed to be responsible for such costs. It is generally understood that the requesting agency will be responsible for the collection of the recoverable costs of all the parties. Any funds recovered will be divided among all the parties submitting their actual costs, by multiplying the cost submitted by a percentage equal to the total funds available, divided by the total cost.

VII

INSURANCE

Each party agrees to maintain adequate insurance coverage for its own equipment and personnel.

VIII

PRE-DETERMINED AUTOMATIC RESPONSE CRITERIA

The following automatic aid procedures shall be initiated as follows:

The **Ketchum Fire Department** agrees to initiate an automatic aid response consisting of a minimum response of one (1) adequately staffed fire engine and one (1) adequately staffed ambulance to any reported structure fire within the City of Sun Valley. Within the automatic aid response, two (2) additional fire engines shall respond if adequately staffed.

The **Sun Valley Fire Department** agrees to initiate an automatic aid response consisting of a minimum response of one (1) adequately staffed fire engine to any reported structure fire within the City of Ketchum. Within the automatic aid response, one (1) additional fire engine shall respond if adequately staffed. In addition, the Sun Valley Fire Department agrees to initiate an automatic aid response consisting of a minimum response of one (1) adequately staffed fire water tender to any reported structure fire within the Ketchum Rural Fire District. Within the automatic aid response, one (1) additional fire engine shall respond to a reported structure fire within the Ketchum Rural Fire District if adequately staffed.

The **Sun Valley Fire Department** agrees to initiate an automatic aid response consisting of properly trained backcountry rescue personnel and rescue equipment to a reported backcountry rescue for the Ketchum Fire Department.

For the purpose of this agreement, an adequately staffed fire engine consists of no less than four (4) firefighters. An adequately staffed fire water tender consists of no less than two (2) firefighters. An adequately staffed ambulance consists of no less than two (2) firefighter/EMT's.

IX

TERMINATION

This agreement shall remain in full force and effect for ten (10) years from the date hereof, unless sooner terminated, and may be renewed with the consent of all parties. Any party may terminate its participation in this agreement prior to expiration as follows:

- a. Written notice shall be served by any party hereto upon all other parties of its intention to terminate its participation in this agreement. Such notice shall be served not less than thirty (30) days prior to the termination date set forth therein. Such notice shall automatically terminate the agreement as to the party giving notice on the date set in the notice.
- b. Termination of the agreement between the parties affected by such notification shall not affect the continuation of the agreement as to any party not notifying an intention to withdraw as provided herein.
- c. Termination of the relationship referred to in this agreement by any party shall not preclude any existing or future agreements between parties.

X

AGREEMENT NOT EXCLUSIVE

This agreement is not intended to be exclusive between the parties. Any of the parties may, as they deem necessary or expedient, enter into separate mutual assistance or mutual aid agreements with any other party or parties. Entry into such separate agreement shall not, unless specifically stated therein, affect any relationship or covenant herein contained. No such separate agreement shall terminate any responsibility hereunder unless notice shall be given pursuant to Section IX of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties as of the date first above written.

DeWayne Briscoe, Mayor
City of Sun Valley

Alissa Weber, City Clerk
City of Sun Valley



Nina Jonas, Mayor
City of Ketchum



Sandy Cady, City Clerk
City of Ketchum

Jed Gray, Chairman
Ketchum Rural Fire District

Marta Thompson, Fire Clerk
Ketchum Rural Fire District

Materials for Agenda Item 13

**CITY OF SUN VALLEY
RESOLUTION 2015-09**

A RESOLUTION OF THE CITY OF SUN VALLEY REVISING THE SCHEDULE OF
CITY COUNCIL MEETING DATES FOR 2015

WHEREAS, Ordinance 377, amending Section 1-5-2 of the Sun Valley Municipal Code, adopted by City Council on June 12, 2006 requires a schedule of Regular City Council Meetings to be published and adopted;

WHEREAS, Resolution 2014-30, Setting the City Council Meeting Dates for 2015, was signed by the Mayor on December 4, 2014;

WHEREAS, the June 3, 2015 Regular City Council Meeting date needs to be adjusted to achieve a quorum of Council Members;

NOW, THEREFORE, BE IT RESOLVED THAT the June 2015 Regular City Council Meeting will be held on:

Tuesday, June 2ND at 4:00 p.m.

Regular City Council meeting dates are subject to change due to availability of a quorum or other circumstances. Any change from the above adopted dates will be noticed in accordance with Idaho Code 67-2343. All meetings are scheduled to be held at City Hall, Council Chambers, 81 Elkhorn Road, Sun Valley, Idaho.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS ____ DAY OF
March, 2015.

Dewayne Briscoe, Mayor

Alissa Weber, City Clerk